



General Assembly

February Session, 2002

Amendment

LCO No. 5202

SB0032405202SD0

Offered by:

SEN. PRAGUE, 19th Dist.

To: Senate Bill No. 324

File No. 200

Cal. No. 151

**"AN ACT CONCERNING DISCLOSURE OF HEALTH BENEFITS BY
INSURERS TO BARGAINING AGENTS."**

1 After the last section, insert the following:

2 "Sec. 2. Section 38a-495c of the general statutes is repealed and the
3 following is substituted in lieu thereof (*Effective October 1, 2002*):

4 (a) [Any] Each insurance company, fraternal benefit society, hospital
5 service corporation, medical service corporation, health care center or
6 any other entity in this state, on or after January 1, 1994, [which] that
7 delivers, issues for delivery, continues or renews any Medicare
8 supplement insurance policies or certificates shall base the premium
9 rates charged on a community rate. Such rate shall not be based on
10 age, gender, previous claims history or the medical condition of the
11 person covered by such policy or certificate. Except as provided in
12 subsection (c) of this section, coverage shall not be denied on the basis
13 of age, gender, previous claim history or the medical condition of the
14 person covered by such policy or certificate, except for plans "H" to "J",

15 inclusive, as provided in section 38a-495b. In plans "H" to "J", inclusive,
16 previous claims history and the medical condition of the applicant may
17 be used in determining rates and granting coverage under Medicare
18 supplement policies and certificates.

19 (b) Nothing in this section shall prohibit an insurance company,
20 fraternal benefit society, hospital service corporation, medical service
21 corporation, health care center or any other entity in this state issuing
22 Medicare supplement insurance policies or certificates from using its
23 usual and customary underwriting procedures, provided no such
24 company, society, corporation, center or other entity shall issue a
25 Medicare supplement policy or certificate based on the age, gender,
26 previous claims history or the medical condition of the applicant,
27 except that the previous claims history and the medical condition of
28 the applicant may be used in determining rates and granting coverage
29 under Medicare supplement policies and certificates for plans "H" to
30 "J", inclusive.

31 (c) Nothing in this section shall prohibit an insurance company,
32 fraternal benefit society, hospital service corporation, medical service
33 corporation, health care center or any other entity in this state when
34 granting coverage under a Medicare supplement policy or certificate
35 from excluding benefits for losses incurred within six months from the
36 effective date of coverage based on a preexisting condition, in
37 accordance with section 38a-495a and the regulations adopted
38 pursuant to section 38a-495a.

39 (d) [Every] Each insurance company, fraternal benefit society,
40 hospital service corporation, medical service corporation, health care
41 center or other entity in the state issuing Medicare supplement policies
42 or certificates for plan "A", "B" or "C", or any combination thereof, to
43 persons eligible for Medicare by reason of age, shall offer for sale the
44 same such policies or certificates to persons eligible for Medicare by
45 reason of disability.

46 (e) [Every] Each insurance company, fraternal benefit society,

47 hospital service corporation, medical service corporation, health care
48 center or other entity in the state issuing Medicare supplement policies
49 or certificates shall make all necessary arrangements with the Medicare
50 Part B carrier and all Medicare Part A intermediaries to allow for the
51 forwarding, to the issuing entity, of all Medicare claims containing the
52 name of the entity issuing a Medicare supplement policy or certificate
53 and the identification number of an insured. The entity issuing the
54 Medicare supplement policy or certificate shall process all benefits
55 available to an insured from a Medicare claim so forwarded, without
56 requiring any additional action on the part of the insured.

57 (f) The provisions of subsections (a) to (e), inclusive, of this section
58 shall apply to all Medicare supplement policies or certificates issued
59 on and after January 1, 1994. For Medicare supplement policies or
60 certificates issued prior to January 1, 1994, the provisions of this
61 section shall apply as of the first rating period commencing on or after
62 January 1, 1994, but no later than January 1, 1995.

63 (g) For a Medicare supplement policy or certificate first issued by an
64 entity to a person on or after October 1, 2002, the entity may not
65 impose a rate increase on such person until at least six months after the
66 initial date of issue.

67 [(g)] (h) The Insurance Commissioner shall adopt such regulations
68 as [he] the commissioner deems necessary, in accordance with chapter
69 54, to carry out the purposes of this section."